G. R. S. IX-5]

Previous references.

Legis 15-14(1-5)

1921.

(Legis)

File No. 37-18

Serial Nos. 1-4.

Later references.

(62)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Four

Part B for May 1921.

SUBJECT.

Bill to amend the Negotiable Instruments Regulation 1917

---

(14) To The Compiler, Supreme Court

No. G 19559 of 22.4.21.

Publishes the amendment of the May Negotiable Instruments Regulation 1917 as Regulation II of 1921.

W.O. 2283—GPB—20,000—14-6-20

5

(For Disposal by Circulation.)

No. C 472

.....19-20.

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

Draft bill to amend the Negotiable Instruments Regulation, 1917.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

C S Balasundaram
Chief Secretary to Government.

..... 24th February, 1920....

Extraordinary Member of Council.

165
27/2/20

First Member of Council. Agree GR 24.2

S-5/23-235
26-2-1920.

Second Member of Council. Opinion recorded
Rel.
24.2.20

Third Member of Council. Opinion recorded.

16655

G. R. S. III—1] 1919.

GENERAL AND REVENUE SECRETARIAT.

(Legis)

NOTES.

File No. 3978

FILE HEADING.

Amendment of the Mysore Negotiable Instruments Regulation, 1917

From

The Chairman, Mysore Chamber of Commerce, Bangalore

No. 64 Dated 14-5-19 Received 16-5-19

Diary No. 16655	Enclos.	Spare Copies.	Serial No. 1

BRIEF ABSTRACT OF LETTER.

Suggests that the Mysore Negotiable Instruments Regn, 1917 maybe amended so as to bring it into line with the Indian Act which has recently been amended by Act VIII of 1919

NOTES AND ORDERS.

from L.R. XXI p. 1

Subd. The Bombay case referred to could not be had in the reports available in the Secrt.

Orders are solicited if a draft Bill on the lines of Act VIII of 1919 maybe put up.

D. 10/6

Returned to the Law Member

Measured up and sent to the Law Member for perusal

D. 10/6

D. 10/6

NOTES—First Sheet.

G. R. S. III-2]

General and Revenue Secretariat.

Legislative File No. 37 of 1918.

16655

2

Serial No.

1/ The report containing the case of Dosabai v. Limchand is not available.

2/ Submitted with a draft bill & statement of objects & reasons as orally directed

Sd/
6/10/19
Approved
8/10

Marked up in pursuance of letter returned herewith.

We must carefully Compare the two Acts section by section

D. M.
12/10

3/ Submitted with a D.O. to the Registrar, Chief Court, as personally instructed

4/ Govt Regn. has closely followed the British Indian Act

Sd/
3/11/19
Approved
4/11

Draft & memo marked up
D. M.
8/11

ISSUE & SUBMIT.

To The Registrar, Chief Court.
D.O. No. G. 10600 dt 12th November 19

Requests to send the volume of Bombay Law Reports containing the report of

volume of the
C. 1. The Bombay Law Reporter in ~~Containing the~~ which is reported the case of Dosabhai v. Limchand has been got and is put up. Relevent portions in the judgment have been marked in

NOTE—Contn. sheet.

G. R. S. III-2]

16855

General and Revenue Secretariat. | Legs' File No. 37 of 1918.

Serial No.

pencil

(i) The British Indian amendment was passed in order to legalise the usage of merchants whereby a cheque with the word "bearer" struck out & without the word "order" was regarded as an order cheque & negotiable. For it was held in the case in question that "the custom, if recognised would be an extension of the definition of "Negotiable Instrument" contained in S. 13 of the Negotiable Instruments Act, 1881" (vide lines 12-17, p 3 of the report).

1 & 2

(ii) The Chairman of the Mysore Chamber of Commerce has written that the same reasons set forth in support of the amendment in the Imperial legislature apply to the amendment of our Regn

P. W. D.

Subd. for orders

26/2/20

31/Jan/1921

NOTE—Contn. sheet.

G. R. S. III-2]

16855

5

General and Revenue Secretariat.

Legs File No. 37 of 1918.

Serial No.

1) Please put up typed drafts of the Bill & the St: of O & R. as revised.

D. M. 25/1

13) Typed copies of the drafts are hereby placed.

CG 27/1 27/1

14) Draft Bill to amend the Negotiable Instrts: Regn (91) & the Statement of Objects & Reasons are subd for Council & orders.

Chief Secy

II Member

D. M. 30/1

15) Office:- The Bill is not properly compared. In all such cases, it must be compd carefully, word by word before subn

D. M. 30/1

Council matter. (Circulation case)

Legs 30/1

omit in this case

CG 30/1

D. M. 30/1

16) Approved. Draft to be despd by circulation if the Hon'ble Members.

Legs 21.2.20

Dewan

13/2/20

CG 13/2/20

D. M. 14/2/20

17) Legs Secy 21.2.20

D. M. 21/2/20

18) I agree. Secy 27.2.20

DEWAN'S OFFICE. Recd. on FEB 16 1920 Reg. No. 5618.

NOTE—Contn. sheet.

G. R. S. III-2]

16655

C. 472

6

General and Revenue Secretariat.

Dep. File No. 37 of 1918.

Serial No.

circulation complete

1) To Asst. Secy. Pol. Branch for submitting the file to the 3rd Member with a DFN.

USJ
28/2

2) Mr. Chitnavis to D.F.N. please

D. M.
28/2

3) D.F.N. please

SC
28/2
1/3

4618
3.3.20

III Member.

D. M.
2/3

4) DFN appr

Sahib
4/3

5) Final Note signed by the Member as put up

M. 5/3/20.

6) Please submit DFN

USJ
8/3

DEWAN'S OFFICE.
Recd. on MAR 10 1920
Reg. No. 6196

25) Sub. Circle D.F.N.

D. M.
8/3

Chitnavis

Dewan

USJ
9/3/20.
P.M.
9/3

NOTE.—Contn. sheet.

Final Note by the Third Member of Council.

Subject:—

Bill to amend the Negotiable Instruments Regulation, 1917.

---

26)

The Negotiable Instruments Act of British India has been recently amended by Act VIII of 1919 in order to bring the law into line with the existing practice of the country. The necessity for this amendment has arisen on account of the decision of the Bombay High Court in the recent case of Dossabhai Hirchand versus Virchand Dalchharam in which they declined to recognise the existing custom of trade whereby a cheque with the word 'bearer' struck out and without the addition of the word "order" was regarded as negotiable.

27) 2. The desirability of amending our Regulation on the lines of the British Indian enactment having been brought to the notice of Government by the Mysore Chamber of Commerce, the question was taken up for consideration and the draft Bill prepared accordingly has been agreed to by the Dewan and the Members of Council.

28) 3. His Highness' gracious sanction is now solicited to place the Bill before the Legislative Council.

MEMBER OF COUNCIL.

6th March 1920.

× Vide Govt. of St. George Gazette dt. 8/4/19 page 72.
Returned 6-4-19

98

Submitted to His Highness.

I submit herewith a Final Note by the....Third.... ..

Member of Council on the subject of...the..Bill..to.....

amend..the..Negotiable..Instruments..Regulation....1917..

....

for His Highness' gracious approval.

10th March 1920

Dewan.

8

Submitted to His Highness.

I submit herewith a Final Note by the...Third.....

Member of Council on the subject of...the..Bill..to.....

amend..the..Negotiable..Instruments..Regulation,..1917.,

....

for His Highness' gracious approval.

10th March 1920

Dewan.

472

9

Record of Cases submitted for the Orders of His Highness the Maharaja

Subject.

Introduction of the Bill to amend the Negotiable Instruments Regulation of 1917, into the Legislative Council.

'20

969

Order.

~~KRW~~

12/3/20

Ch-Leg

13.3.20

G. R. S. III-2]

C.472 16655

General and Revenue Secretariat. Keys File No. of 19

120

Serial No.

(*)

31. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at headquarters and then sent to the Secretariat concerned for the issue of orders.

31) Circulated to the Members of Council for perusal of His Highness' orders ~~before~~ after issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.).

C Hallensleben
Chief Secretary to Govt.
23

Through the Secretary to Government,

.....Department.

2)

FIRST MEMBER OF COUNCIL

17

86
16/3/20

33)

5939-323
15-3-20

SECOND MEMBER OF COUNCIL

Seen
Rae
15. 3. 20

34)

4932
15.3.20

THIRD MEMBER OF COUNCIL.

35) Case papers Proof for further action 13/3

NOTE—Contn. sheet.

17/3/20

Urgent
17/3

G. R. S. III-2]

General and Revenue Secretariat.

Legs. File No. 37 of 1918

(11

Serial No.

36) Subd. with a draft to the Resy. forwarding a copy of the Bill with Statt. of O & R.

37) Issues

22/3 38) 2) Move as whether this comes within the schedule to the Mysore Treaty of 1913

D.M. 26/3

Letter not sent 27/3

2 To The H. A. Resident in Mysore.

No. Pol. 1106 dt 5th April 1920.

I am a copy of the Bill to amend the Negotiable Instruments Regn with the Statement of objects & reasons & informs that the Bill will be placed before the Council in due course.

38) 39) Subd. As the time of the introduction of the Regn VII of 1917 the sanction of the Govt. of India has not been obtained.

40) Further Act V of 1866 which is included in the schedule is not modified by the present Bill.

H. W.

Sd 41) Move first up Act V of 1866.

14/4 Apl 13/4 No reply of the Residency has been rec'd, to date.

D.M. 29/4

Legis. Slip may be attached on this flap

D.M.

NOTE—Contn. sheet.

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

(12)

42) Forms for obtaining the sanction of the Dewan to introduce the Bill to amend the Negotiable Instruments Regulation 1917 are submitted for favour of Signature

Sd
18/5

43) Subd. for favour of signature

D Mahadevan

III Member Hub. 18/5.

Dewan 18/5

DEWAN'S OFFICE.
Recd. on MAY 19 1920
No. 7763.

D.
18/

Signed by the Dewan.

D. M.
21/5.

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

(14

OFFICE OF THE DEWAN OF MYSORE.

Dated 19th May 1920

14

Mr. Mir Hamza Hussein, B.A., B.L. Member of the Mysore Legislative Council, is hereby permitted to introduce a bill to amend the Negotiable Instruments Regulation 1917

.....

.....at a meeting of the said Council, subject to the rules for the time being in force under the Mysore Legislative Council Regulation, No. I of 1907.

Dewan of Mysore.

(13)

Office of the Third Member
of Council

Dated May 1920

To Rajasevadhurina Sirdar M. Kantaraj Urs, B.A.
C.S.I.

Dewan of Mysore.

SIR,

I beg to request your sanction in writing under Section 12 of Regulation I of 1907, for introducing a bill to amend the Negotiable Instruments Regulation, 1917

at a meeting of the Mysore Legislative Council.

I have the honor to be,
Sir,
Your most obedient servant,

Member.

G. R. S. III-2]

General and Revenue Secretariat.

Legs File No. 37 of 1918.

Serial No.	
3	From F. A. Resident No 3575 dt 21-4-20 States that there is no prima facie objection to the Bill being placed before the Legislative council Submitted. If approved the Bill will be included in the agenda for the next meeting Act-V of 1865 is put up (vide H.T.) Sd 30/4/20 Yes. Please circulate with Agenda for the next meeting on 20.5.20 D.M. 16/5 At the meeting of the Legislative Council held on the 19th May leave was granted to introduce the Bill. The Bill was then to be published under Rule 31 Draft notification is submitted. Sd/ J Vas 20/5/20 Please revise the Bill as soon carefully before sending to the Press D.M. 21/5

NOTE—Contn. sheet.

1926)

13

Serial No.

1 ✓

5 At the meeting of the Legislative Council on the 28th inst. ~~it was decided to keep over the~~ The Bill was read and referred to a Select Committee consisting of the ~~##~~ third member Mr C. S. Balasundaram & Mr C. S. Doraiswamy Iyer, Mr. M. Ramachandra Rao and Mr. D. Venkatesiya

(52) The date for the meeting has now to be fixed Submitted for orders.

8C 23/11 (54) Please suggest some dates in Jan 1 or Feb 1 after consulting the Members P.A.

A.D.C. 28/11

P.M. 28/11

(55) This may be sent to the P.A to the Member for favour of suggesting a suitable date

8C 26/11 (56) To the Personal Asst to the Hon Member Council Camp

A.D.C. 26/11

(57) Submitted. If A.D.C. on Saturday the 8th January seems suitable.

P.M. 27/11/20

3329 27.11.20

NOTE—Contn. sheet.

G. R. S. III-2]

1967-9

General and Revenue Secretariat. | File No. of 191 .

Se
N

(58) The P.A. (Mrs Sita Ramesh) says that the S.C. meeting may be arranged for the 5th Feb. at 9 A.M.

(59) Please arrange accordingly & issue notices

D.M.
29/1/67

(60) Submit with a draft of notice of the meeting

Sd.
6/1

(61) Names of members coming in the list approved by the Member for the S.C.?

D.M.
31/1

Issued 952-57 dt 1-2-67
L.C

Copy to P.A. to III members of each section

NOTE—Contn. sheet.

1926-9

58) No P.A. (Mr. Subramaniam) says that the S.C. meeting may be arranged for the 5th Feb. at 9 A.M.

59) Please arrange accordingly & issue notices

D.M.
3/1/27

60) Submit with a draft of notice of the meeting

61) Names of members going in the list appd. by the Member for the S.C.?

D.M.
2/1

Issued 952-57 dt 10-1-27
L.C
Copy to P.A. to III Member & each Section.

G. R. S. III-2

1926/-19

(1) 45

General and Revenue Secretariat. | File No. of 19

Serial No.

12) Submd. Kind reference is invited to the Agenda of the last meeting approved by the Members wherein the names of the members of the Select committee were suggested

8/6 11/1

13) Marks.

Marks (Mr. rpo on 20.1.24

D.M. 12/1

12/1 12/1

14) The Select committee is to meet on the 5th inst. Submd. The file is submd. as directed.

8/6 2/2/24

15) The Select Comtee met on the 5th inst, all the members except Mr C.S. Balasundaram Iyer being present

Submd with a draft report.

10/2

16) Submd for appd

D.M. 10/2

III Member appd

17) Mr

13/2

4649 11-2-24

18) Marks and typed copies to members for appd

D.M. 14/2

NOTE—Contn. sheet.

Copies 14/2

G. R. S. III-2]

9267-19

(1 + 6

General and Revenue Secretariat. | File No. | of 19

Serial No.

5) Sd. with draft forwarding the reports to the members for approval

Sd 15/2 Apr 15/2

7) Issued 3 s 1-53 & 16/2/19 K.C

Sd.

Mr. Ramachandra Rao has returned the reports with his approval. Messrs. Doraswamy Iyer & Co. Venkatesaiya have not yet returned ~~Sd~~ the report

7) Draft & pair of notifn publishing the report are subs. as per orders.

Sd 21/2 Apr 21/2

Sd 7) The report has since been received from Mr. Doraswamy who has suggested certain alterations.

7) Draft reminder to Mr. Venkatesaiya is put up as per orders.

Sd 24/2 Apr 24/2

7) Issued 358 Jud 24/2/19 K.C

7) Mano demi-official to-day

NOTE—Contn. sheet.

General and Revenue Secretariat. | File No. of 19 .

Serial No.

76)
Mr. Venkatesaiya's approval of the report has also been obtained

H. S. 77) Mr. Doraiswamy Iyer has suggested certain alterations in the wording of the report and 78) he is for order. If these form has to be adopted

28/2 78) There is not much difference between the form of the report suggested by the G.A. which seems to contain only verbal alterations if approved, the report approved by the Members will be sent for print.

Submitted for orders

D. M.
28.2.

III Member

80) The Member has approved the suggestion of the G.A. Please adopt it & send it for print today

D. M.
28.2.

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat.

File No. 1926-17 of 19 .

16

Serial No.

1) Leave was granted to introduce the Bill on the 19th May 1920. It was read & referred to a Select Committee on the 22nd Nov. 1921. The Select Committee considered that no modification was necessary & the Bill was passed at the meeting on the 29th March 1921

2) H. H's sanction has now to be obtained for promulgating the Bill into Law.

3) Submit with a D.F. & D.S.R.

4) Submit with D.F. & D.S.R.

5) Submit with D.F. & D.S.R.

6) Please have the D.F. & D.S.R. typed

7) Typed D.F. & D.S.R. up.

8) Submit with D.F. & D.S.R.

9) 3rd Member

10) Submit with D.F. & D.S.R.

11) Chief Secy

DEWAN'S OFFICE.
Recd. on APR 12 1921
Reg. No. 6399

5612
2-4-21

NOTE—Contn. sheet.

14.

Final Note by the Third Member of Council.

250

Subject:-

Promulgation into law of the Bill to amend the Negotiable Instruments Regulation, 1917.

---

89) On the 12th March 1920 His Highness' gracious sanction was accorded to place the Bill* to amend the Negotiable Instruments Regulation, 1917, before the Legislative Council. Leave to introduce the Bill was granted by the Council at its meeting held on the 19th May 1920.

D
a page 9 of office Note

90) The Bill was read in Council and referred* to a Select Committee on the 22nd November 1920. The Select Committee recommended* that the Bill might be passed without any modification and it was accordingly passed at the meeting held on the 29th March 1921.

F.
G

91) The gracious sanction of His Highness is now solicited to promulgate the Bill into law.

7th April 1921
Bangalore.

Member of Council.

* vide supplement to the Mysore Gazette of 10.3.21, page 11. Returned to the Secretariat.

(67)

Submitted to His Highness.

—

7 2) *I submit herewith a Final Note by the*.....Third.....

Member of Council on the subject of....promulgating...

.the...Bill...to ..amend...the..Negotiable..Instruments..Regu-

.lation,...1917,...into...law,.....-.....-

for His Highness' gracious approval.

13 April 1921

Dewan.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Promulgation of the Bill amending the Negotiable Instruments Regulation of 1917, into Law.

Order.

~~KRW~~

16/4/21

CL.4

20.4.21

G. R. S. III-2]

1925-9

General and Revenue Secretariat. Legis File No. 37 of 1918.

Serial No.	
94	Subm. with a draft order publishing the Bill. as Regn. II of 1921
	Ste 21/4 Ans 4
95	Issues D.M. 24/4.
	To
4	The Compiler, Mysore Gazette.
	Dis. G. 19959 Dt 22-4-21.
	Publishes the amendment of the Mysore Negotiable Instruments Regulation, 1917 as Regulation II of 1921. & requests for the supply of 200 spare copies in Eng & 25 spare copies in Kannada to this Office.

OFFICE PHOTOLITHO 10 MAY 1921

B 7/5

NOTE—Contn. sheet.

Bill to amend the Negotiable Instruments Regulation 1917

Whereas it is expedient to amend the Negotiable Instruments Regulation, 1917; His Highness the Maharaja is pleased to enact as follows :—

Amendment of S. 9. 1. In section 9 of the Regn. for the words "payable to, or to the order of, a payee" the words payable to order" shall be substituted.

Amendment of S. 13 2. For sub-section 1 of S. 13 of the Regn. the following sub-section shall be substituted, namely :—

"(1) A negotiable instrument means a promissory note, bill of exchange or cheque payable either to order or to bearer.

Explanation (i) — A promissory note, bill of exchange or cheque is payable to order

which is expressed to be so payable or which is expressed to be payable to a particular person, and does not contain words prohibiting transfer or indicating an intention that it shall not be transferable.

Explanation (ii) A promissory note, bill of exchange or cheque is payable to bearer which is expressed to be so payable or on which the only or last indorsement is an indorsement in blank.

Explanation (iii) — Where a promissory note, bill of exchange or cheque, either originally or by indorsement, is expressed to be payable to the order of a specified person, and not to him or his order, it is nevertheless payable to him or his order at his option."

P.T.O.

Amendment of S. 48

3. In section 48 of the Regn., for the words "payable to the order of a specified person, or to a specified person or order" the words "payable to order" shall be substituted.

Amendment of S. 121

4. In section 121 of the Regulation, for the words "payable to, or to the order of, a specified person" the words "payable to order" shall be substituted.

D. M. 25/1

MR 8/10

16/1

Statement of Objects and Reasons

~~British~~ In.

The Negotiable Instruments Act of 1881 of British India ~~was~~ has been in force in Mysore has been introduced into Mysore by Regn. VIC of 09, has been amended by Act VIII of 1919 so as to bring the law into line with the existing commercial practice of the courts. Bombay high court in a recent case, ~~has~~ refused to recognise the ~~commercial practice~~ ~~of treating a cheque payable to a specified person as negotiable~~ without the words "order" or "bearer".

The proposed Bill is intended to bring over Regn. into line with the Indian Act as thus amended

(*) Vide separate sheet

This amendment was necessitated by the decision of the

Custom of trade whereby a cheque with the word 'bearer' struck out without the word 'order' is regarded as an 'order' cheque and negotiable.

X

This amendment arose out of recent decision of the Bombay High Court in Dossabhai vs: Virchand reported in Bombay Law Reporter Vol: XXI. No: 1 p. 1 in which it was held that "a cheque from which the word 'bearer' is struck out & there is no substitution of the word 'order' is not negotiable within the meaning of the Negotiable Instruments Act, 1881; and that the custom of trade which exists in the Bombay market whereby a cheque with the word 'bearer' struck out without the word 'order' is regarded as an 'order' cheque & negotiable cannot legally be recognized."

This decision caused a good deal of confusion in commercial & banking circles and led to the passing of Act VIII of 1919 in B. India.

The proposed Bill is intended to bring our Negl Instrs Act with the Indian Act as thus amended.

D. M. 25/1

3 D

'X'

This amendment arose out of the recent decision of the Bombay High Court in Mosabhai vs. Vrekand reported in Bombay Law Reporter Vol. XXI No. 1 p. 1 in which it was held that "a cheque from which the word 'bearer' is struck out & there is no substitution of the word 'order' is not negotiable within the meaning of the Negotiable Instruments Act, 1881; and that the custom of trade which exists in the Bombay market whereby a cheque with the word 'bearer' struck out without the word 'order' is regarded as an 'order' cheque & negotiable cannot legally be recognized."

This decision caused a good deal of confusion in commercial banking circles and led to the passing of Act VIII of 1919 in B. India.

The proposed Bill is intended to bring our Negl Instrs into with the Indian Act as thus amended.

D. M. 25/1

51

Bill to amend the Negotiable Instruments Regulation 1917.

****

Whereas it is expedient to amend the Negotiable Instruments Regulation, 1917, His Highness the Maharaja is --- pleased to enact as follows:-

Amendment of Section 9.

1. In section 9 of the Regulation for the words 'payable to, or to the order of, a payee' the words "payable to order" shall be substituted.

Amendment of Section 13.

2. For Sub Section (1) of Section 13 of the Regulation the following -- sub-section shall be substituted, namely

"(1) A'negotiable instrument' -- means a promissory note, bill of exchange or cheque payable either to order or to bearer.

Explanation (i):-A promissory note, bill of exchange or cheque is payable to order which is expressed to be so payable to a particular person, and does not contain words prohibiting transfer or indicating an intention that it shall not be transferable.

or which is expressed to be payable,

Explanation (ii):-A promissory note bill of exchange or cheque is payable to bearer which is expressed to be so payable or on which the only or last indorsement is an indorsement in blank.

Explanation (iii):-Where a promissory note, bill of exchange or cheque either originally or by endorsement, is expressed to be payable to the order of a specified person, and not to him

it is nevertheless payable to him or his order

or his order, at his option".

Amendment of Section 48.

3. In Section 48 of the Regulation for the words "payable to the order of a specified person, or to a specified person or order", the words "payable to order" shall be substituted.

Amendment of Section 121.

4. In Section 121 of the Regulation, for the words "payable to, or to the order of, a specified person", the words "payable to order" shall be substituted.

D.M.
29/1

Statement of Objects and Reasons.

The Negotiable Instrument Act 1881 of British India which has been introduced into Mysore by Regulation VII of 1917, has been amended by Act VIII of 1919 so as to bring the Law into line with the existing commercial practice of the country. This amendment was introduced in consequence of the recent decision of the Bombay High Court in Dosabhai Vs Virchand reported in Bombay Law Reporter Vol. XXI No.1 p.1 in which it was held that "a cheque from which the word 'bearer' is struck out and there is no substitution of the word 'order' is not negotiable within the meaning of the Negotiable Instruments Act, 1881, and that the -- custom of trade which exists in the Bombay Market whereby a cheque with the word 'bearer' struck out without the word 'order' is regarded as an 'order' cheque and negotiable cannot legally be recognized."

This decision caused a good deal of confusion in Commercial and Banking Circles and led to the passing of Act VIII of 1919 in British India. The proposed Bill is intended to bring our Regulation into line with the Indian Act as thus amended.

The desirability of amending our Act in line with the British Indian Enactment has been brought to the notice of the Chamber of Commerce of Mysore and the proposed Bill is intended to remove that defect.

29/1

S. C. meeting 5/20/21

Members present

5/21/1921

Members present

1. Mrs C.S. Doraswamy Iyer
2. " M. Ramachandra Rao
3 " Venkatesiah
Absent — Mrs C.S.B

Title of S.C. Act of Madras
Girls' Bill required
no change

Method of Publication
in the Gazette

Note: —
Lawyers Comm
for Girls Court

Does Letters up
to worked up
what action has been
taken

65

Report of the Select Committee appointed to consider the Bill to amend the Negotiable Instruments Regulation, 1917

We, the members of the Select Committee appointed to consider the above Bill, beg to report that we have considered the several provisions of the Bill and found them ~~quite unexceptionable~~ all-right.

We accordingly recommend that the Bill may be approved and that it need not be published in the Gazette.

Members present:

Dr Mir Hamza Hussein
" C.S. Doraswamy Iyer
" M. Ramachandra Rao
" D. Venkatesam

Absent

Dr C.S. Balasundaram Iyer.

D.M.
10/2

Ayer
10/2

Mysore Chamber of Commerce.

POST BOX
No 39.

No.64.

Bangalore. 14th May 1919

69732 From,-

W.C.Rose, Esquire,

Chairman, Mysore Chamber of Commerce, Bangalore.

To

The Chief Secretary to the Government of His Highness the Maharaja of Mysore, Bangalore.

Sir,

I have the honour to request you to invite the attention of Government to Act No.V111 of 1919 (to further amend the ---- Indian Negotiable Instruments Act 1881) which received the ---- assent of the Governor General on 19th March 1919, in view of securing necessary amendments to bring our Negotiable Instruments Regulation V11 of 1917 into line with the Indian Act. -- A copy of the new act and the speech of the Member who introduced it at the Imperial Legislative Council is enclosed -- for ready reference, and I may add that the reasons set forth by the Hon. Mr.V.J.Patel in support of the amendment of the -- Indian Act apply fully to our Regulation which is practically a copy of the former.

I have the honour to be,

Sir,

Your most obedient servant,

For the Mysore Chamber of Commerce

Chairman.

Enc.2

K.S.

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

The following Act of the Indian Legislative Council received the assent of the Governor General on the 19th March, 1919, and is hereby promulgated for general information:-

Act No. VIII of 1919.

An Act further to amend the Negotiable Instruments Act, 1881.

Whereas it is expedient further to amend the Negotiable Instruments Act, 1881; It is hereby enacted as follows:-

XXVI of 1881, Short title.

1. This Act may be called the Negotiable Instruments (Amendment) Act, 1919.

Amendment of section 9, Act XXVI of 1881.

2. In section 9 of the Negotiable Instruments Act, 1881, (hereinafter called the said Act), for the words "payable to, or to the order of, a payee", the words "payable to order" shall be substituted.

XXVI of 1881.

Amendment of section 13, Act XXVI of 1881.

3. For sub-section (1) of section 13 of the said Act, the following sub-section shall be substituted, namely:-

"(1) A "negotiable instrument" means a promissory note, bill of exchange or cheque payable either to order or to bearer.

Explanation (i) :- A promissory note, bill of exchange or cheque is payable to order which is expressed to be so payable or which is expressed to be payable to a particular person, and does not contain words prohibiting transfer or indicating an intention that it shall not be transferable.

Explanation (ii).- A promissory note, bill of exchange or cheque is payable to bearer which is expressed to be so payable or on which the only or last indorsement is an indorsement in blank.

Explanation (iii).- Where a promissory note, bill of exchange, or cheque, either originally or by endorsement, is expressed to be payable to the order of a specified person, and not to him or his order, it is nevertheless payable to him or his order at his option".

4. In section 48 of the said Act, for the words "payable to the order of a specified person, or to a specified person or order", the words "payable to order" shall be substituted.

Amendment of section 48, Act XXVI of 1881.

5. In section 121 of the said Act, for the words "payable to, or to the order of, a specified person", the words "payable to order" shall be substituted.

Amendment of section 121, Act XXVI of 1881.

Copy

Secy

16-5-29

NEGOTIABLE INSTRUMENTS (AMENDMENT) BILL.

The Hon'ble Mr. V. J. Patel:- "Sir, I beg to move for leave to introduce a Bill further to amend the Negotiable Instruments Act, 1881. The Bill, though a very short one, is a very important Bill. Its object is to set right the difficulty created by the decision of the Bombay High Court in a recent case on the question whether a cheque expressed to be payable to a specified person is a Negotiable Instrument. Now, both according to the English law as well as the law in India, on Negotiable Instruments, there are five kinds of cheques; cheques payable to a specified person, cheques payable to a specified person or order, cheques payable to the order of a specified person, cheques payable to bearer, and cheques payable to a specified person or bearer. According to the mercantile usage obtaining in England as well as in India, all these cheques are negotiable. Now as to law. In England before 1882, a cheque payable to a specified person was regarded as non-negotiable. This law was altered by 45 and 46 Vict., c. 61, which provided that an Instrument payable to a specified person, and not containing words prohibiting transfer or indicating an intention that it shall not be transferable is an Instrument 'payable to order' that is negotiable. Thus it was in 1882 that the law in England was brought into line with the custom prevailing there.

"Now coming to India, as I have already observed, the custom is that a cheque payable to a specified person is negotiable. But the law is otherwise, and in a recent case, as I have already mentioned in the beginning, the Bombay High Court refused to recognise the custom which went straight against the positive law as laid down in the Negotiable Instruments Act. They relied on the case of Goodwin versus Roberts, the case followed also by Cockburn, C. J., who observed:-

'We must by no means be understood as saying that mercantile usage, however extensive, should be allowed to prevail if contrary to positive law. To give effect to usage, which involves a defiance or disregard of the law would be obviously contrary to the fundamental principle in the leading case of Goodwin versus Roberts'.

"Now what were the facts in the Bombay case referred to? In the Bombay case a cheque was addressed to a specified person, and the

the word 'bearer' was struck out without the substitution of the word 'order', and the question for decision was, whether that cheque should be regarded as negotiable. No doubt in that case it was proved to the hilt that the custom in the Bombay market was to the effect that such a cheque was negotiable. But in spite of that, relying on the decision I just quoted, the Bombay High Court held that the custom being contrary to the definition of Negotiable Instruments as contained in section 3 of the Negotiable Instruments Act could not have any legal recognition. I will read that definition to this Council with your permission, Sir:-

A negotiable instrument' means a promissory note, bill of exchange or cheque expressed to be payable to a specified person, or his order, or to the order of a specified person, or to the bearer thereof, or to a specified person or the bearer thereof".

"Now it is quite clear looking to this definition that the custom is quite contrary to the positive law on the subject. If that is so, what is the remedy? The only remedy left is to appeal to the Indian Legislature to amend the Act. This is what the learned Judge of the Bombay High Court says in this connection:-

'If it should be desired by merchants and bankers that a particular usage should be legally recognised, then their proper course would be to apply for an amendment of the Indian Negotiable Instruments Act, 1881, so as to bring it into line with the latest English Statute of 1882. Such an application, however, would have to be made not to this Court but to the Indian Legislature".

"It is with a view that the difficulty created by the decision of the Bombay High Court in the case of Dossabhoy versus Virchand may be set right that I have brought forward this Bill, and I hope the Council will support it".

The Hon'ble Sir Thomas Holland: "Sir, the Chambers of Commerce in Bengal and in Bombay have also drawn the attention of Government to the possible inconvenience that might arise in consequence of a rigid interpretation of the Act of 1881, especially that section of it with the unlucky number. The Government realise the desirability of bringing the Act into unison with the accepted practice of business circles. They therefore readily accept the principle of the Bill

which

ich the Hon'ble Mr. Patel has asked for leave to introduce and has explained so clearly".

The Hon'ble Sir Fazulbhoy Currimbhoy:- "Sir, I beg to support the Bill, and I hope that this Bill will be passed at this Session as a lot of inconvenience is caused to the commercial public".

The motion was put and agreed to.

The Hon'ble Mr. V. J. Patel:- "Sir, I now beg to introduce the Bill, and move that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in the Gazette of India in English".

The motion was put and agreed to.

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copy.

R S V Ramaiyar
Secy
16-5-19

G. R. S. VI—G/32]

SUBJECT.....

.....

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Diary No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT

( )

, the *191* .

Date of issue 12/11

Signed by M^r Rees

Section Levis

~~File No.~~

~~Serial No.~~

D. O.

No. 2080

To

Dear Mr. Sreenivasa Iyer,

I shall be much obliged if you will kindly send for reference and return the volume of the Bombay Law Reports containing the Report of the Case Dosabhai vs. Kirchand in which it has been ruled that "a cheque from which the word 'bearer' is struck out

over.

and there is no substitution of the word 'order' is not negotiable within the meaning of the Negotiable Instruments Act, 1881."

Yours sincerely,

D.M.
8/11

2

S. Sreenivasa Iyer, Esq., B.A., B.L.
Regr, Chief Court

A.R.
4/11

List of enclosures.

Copied by

Examined by

W D86—GPB—60,000—15-11-16

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT

( )

the 191 .

Section Legis
File No. 37/8
Serial No. 2

No. Pol 1106 Ecl

Date of issue 5 April 1920

Signed by Mr. C S B. Iyer.

To

The F. & Resident

Sir,

I am directed to forward herewith a copy of the Bill to amend the Negotiable Instruments Regulation 1917 with the Statement of objects and reasons wherein fully explains the scope of the Bill.

The Bill will be placed before the Legislative Council in due course.

I have the honour to be,
Sir,
Your most obedient servant,

By post
3 copies of the Bill & St. of O & R.

8/4/20 8/4/20

Pol 1413

No. 1926

No 3575

E. O. 2.—R. P. B.—2-12-1902.—5000.

ION Leg
E NO. 37-18
FCN 3.

FROM

MAJOR C. T. C. PLOWDEN, I. A.,
FIRST ASSISTANT TO THE RESIDENT IN MYSORE.

1 APR 1920

TO

The Chief Secretary to the Government of
His Highness the Maharaja of Mysore.

Leg
2-4-20

Dated Bangalore, 2/4 April 1920

SIR,

PROTECTION BR 22 APR 1920

With reference to your letter No. Pol 1106, dated the 5th April 1920, forwarding a copy of the Bill to amend the Negotiable Instruments Regulation, 1917, I am directed to state that the Hon'ble the Resident sees no prima facie objection to the Bill being laid before the Legislative Council.

I have the honour to be,
Sir,
Your most obedient servant,

FIRST ASSISTANT RESIDENT.

CVV.

G. R. S. VI—S-III/13]

DRAFT

SUBJECT.....

.....

.....

Section.
File No.
Serial No.

No. 75 Leg

Diary No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT,

( )

the.....*191* .

Date of issue.....28-5-20.....

Signed by.....Sd/- D. Lu.....

NOTIFICATION.

Under Rule 31/32 of the Rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to amend the Mysore Negotiable Instruments Regn., 1917 is published for general information with the statement of objects and reasons.

By Order.

D. Lu. 29/5

Secretary, Mysore Legislative Council.

(Here print the accompanying Bill with the statement of objects and reasons).

To

The Compiler, *Mysore Gazette* for publication in Part III of the Gazette in English and Kannada and for sending 150 copies in English and 25 copies in Kannada to this office. ~~Proofs should be sent to this office for approval before publication.~~

NOTIFICATION.

No. 759—L. C., dated 25th May 1920.

Under Rule 31 of the Rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to amend the Negotiable Instruments Regulation, 1917, is published for general information with the statement of objects and reasons.

By Order,

P. MAHADEVAYYA,

Secretary, Mysore Legislative Council.

Bill to amend the Negotiable Instruments Regulation, 1917.

Whereas it is expedient to amend the Negotiable Instruments Regulation, 1917, His Highness the Maharaja is pleased to enact as follows: —

Amendment of Section 9.—1. In Section 9 of the Regulation for the words "payable to, or to the order of, a payee" the words "payable to order" shall be substituted.

Amendment of Section 13.—2. For Sub-Section 1 of Section 13 of the Regulation the following sub-section shall be substituted, namely; —

"(1) A 'negotiable instrument' means a promissory note, bill of exchange or cheque payable either to order or to bearer.

Explanation (i).—A promissory note, bill of exchange or cheque is payable to order which is expressed to be so payable or which is expressed to be payable to a particular person, and does not contain words prohibiting transfer or indicating an intention that it shall not be transferable.

Explanation (ii).—A promissory note, bill or exchange or cheque is payable to bearer which is expressed to be so payable or on which the only or last endorsement is an endorsement in blank.

Explanation (iii):—Where a promissory note, bill of exchange or cheque either originally or by endorsement, is expressed to be payable to the order of a specified person, and not to him or his order, it is nevertheless payable to him or his order at his option."

Amendment of Section 48.—3. In Section 48 of the Regulation for the words "payable to the order of a specified person, or to a specified person or order," the words, "payable to order" shall be substituted.

Amendment of Section 121.—4. In Section 121 of the Regulation, for the words "payable to, or to the order of a specified person," the words "payable to order" shall be substituted

STATEMENT OF OBJECTS AND REASONS.

The Negotiable Instruments, Act, 1881, of British India which has been introduced into Mysore by Regulation VII of 1917, has been amended by Act VIII of 1919 so as to bring the law into line with the existing commercial practice of the country. This amendment was introduced on account of the recent decision of the Bombay High Court in *Dosabhai* vs. *Virchand* reported in Bombay Law Reporter, Vol. XXI, No. 1, p. 1, in which it was held that "a cheque from which the word 'bearer' is struck out and there is no substitution of the word 'order,' is not negotiable within the meaning of the Negotiable Instruments Act, 1881, and that the custom of trade which exists in the Bombay Market whereby a cheque with the word 'bearer' struck out without the word 'order' is regarded as an 'order' cheque and negotiable, cannot legally be recognized."

This decision caused a good deal of confusion in Commercial and Banking Circles and led to the passing of Act VIII of 1919 in British India. The desirability of amending our Act on the lines of the British Indian enactment has been brought to the notice of the Government by the Chamber of Commerce, Mysore, and the proposed Bill is intended to secure that object.

4/1

4

G. R. S. VI—S-III/3]

DRAFT.

SUBJECT .....

.....

.....

Section.
File No.
Serial No.

Diary No. of letter replied to..... .....

No. 254-57
L C

OFFICIAL MEMORANDUM.

GENERAL AND REVENUE SECRETARIAT,

( )

, the.....*191*

To

1. .....

Member, Mysore Legislative Council.

Date of issue.....10/1/24.....

Signed by.....M. T. M.....

A meeting of the select Committee to consider the bill..... to amend the Negotiable Instruments Regulation, 1917 .....

will be held in the..... Chamber of the Third member of Council, Public Offices Building, Bangalore at ~~Bangalore~~ on Saturday 9 A.M. the 5th Feby 1924.

1) M. S. Balasundaram Iyer, Esq, B.A.
2) M. S. Doraiswamy Iyer, Esq., B.A., B.L
3) Dr. Ramachandra Rao Esq., B.A., B.L
4) Dr. Venkatesaraya, Esq., B.A., B.L

By Order,

D. M. V/1

Secretary, Mysore Legislative Council.

867

Copy to D.P.A. to the member
2) Cash section.

17 AG 611

G. R. S. VI.—S-III/11]

DRAFT.

SUBJECT.....

.....

.....

Section.
File No.
Serial No.

No. 351-353 L.C

Diary No. of letter replied to.....

To

X .....

Member, Mysore Legislative Council.

GENERAL AND REVENUE SECRETARIAT,

( )

, the.....*191* .

SIR,

Date of issue 16/2/21

Signed by Mr. P. Mahadevappa

I am directed to forward herewith a copy of the draft report of the Select Committee on the Bill to amend the Negotiable Instruments Regulation, 1917

.....

~~with a copy of the Bill as amended by the Committee~~ and to request you to kindly return the same with your approval or other remarks, if any.

X 1) C. S. Doraswamy Iyer Esq., B.A., B.L
2) M. Ramachandra Rao, Esq., B.A., B.L
3) D. Venkatesaya, Esq., B.A., B.L

I have, etc.,

D. M. 15/2

Secretary, Mysore Legislative Council.

S.G. 15/2

15/2

56

64, Balepet,

Bangalore City,

19th February, 1921.

From

H. Ramachandra Rao, Esq., B.A., B.L.,

Member, Mysore Legislative Council,

B A N G A L O R E

To

P. Mahadevayya, Esq., B.A., B.L.,

Secretary, Mysore Legislative Council,

B A N G A L O R E .

Sir,

I have the honour to acknowledge with thanks the receipt of your letter No. 351-53/L.C. dated the 16th instant and to state in reply that I quite approve the draft report of the Select Committee on the Bill to amend the Negotiable Instruments Regulation, 1917. I herewith return the said draft as desired.

I have the honour to be,

Sir,

Your most obedient servant,

H. Ramachandra Rao

Member,

Mysore Legislative Council.

5

Report of the Select Committee appointed to consider the Bill to amend the Negotiable Instruments Regulation, 1917.

*****

We, the members of the Select Committee appointed to consider the above Bill, beg to report that we have considered the several provisions of the Bill and found them to be all right.

We accordingly recommend that the Bill may be approved and that it need not be published in the Gazette.

"Copy"

D Macnaughton

KNN.3.

No. 259.
Enc 1

Office of the Government Advocate in Mysore,
Dated BANGALORE, the 22nd February 1921.

From

C. S. Doraswami Iyer Esq., B. A., B. L.,
Government Advocate in Mysore, and
Member, Mysore Legislative Council.

To

P Mahadevayya Esq., B. A., B. L.,
Secretary, Mysore Legislative Council,
Bangalore.

Sir,

I have the honor to return herewith the draft Report of the Select Committee, received with your letter No. 351/53/L. C., dated the 16th February - 1921, with my remarks noted thereon.

I have the honor to be,

Sir,

Your most obedient servant,

Government Advocate,
and Member, Mysore Legis. Council.

Report of the Select Committee appointed to consider the Bill to amend the Negotiable Instruments Regulation, 1917.

*****

We, the members of the Select Committee appointed to consider the above Bill, beg to report that we have considered the several provisions of the Bill and found them to be all right.

We accordingly recommend that the Bill may be approved and that it need not be published in the Gazette.

"copy"

I would suggest the following

DMaradewaa,

We the undersigned members of the Select Comm.ee to which the bill to amend the Negotiable Instruments Reg.n 1917 was referred have considered the bill & have now the honor to submit that the bill does not require any modification — We therefore recommend that the bill may be passed without republication in the Gazette

21.2.21

KNN.3.

C. R. S. VI—G/32]

SUBJECT .....

.....

.....

*Diary No. of letter replied to*_____

General and Revenue Secretariat

( )

, *the* *191* .

Date of issue 24/12/91

Signed by Mr. P. Mahadevappa

Office of the Secy. Legl. Dept.

Section

File No.

Serial No

No. 358 L. C

To D. Venkatesanga, Esqr., B.A., M.L.
Member, Mysore Legislative Council

Sir,

I am directed to invite kind reference to this office letter No 351-53 L-C dt 16-2-91 forwarding copy of Draft report of Select Committee on the Bill to amend the Negotiable Instruments Regulation, 1907

UVCT.

1917, and to request that the Report may be kindly returned by return of post with your approval or other remarks, if any

I have etc

D. Hy

Secy. Legn. Dept.

36/1a/12
of 24/12

List of enclosures.

Copied by

Examined by

KOLAR

DATED, 27 · 2 1921.

From

D. Venkatesaiya Esqr B. A., B. L.,

Member, Mysore Legislative Council.

To P. Mahadevayya Esq B.A. B.L
Secretary, Mysore Legislative Council
Bangalore

Sir,

I have the honour to return herewith the report of the Select Committee on the Bill to amend the Negotiable Instruments Regn. 1917, with my approval thereof.

I beg to remain, Sir,
Your most obedient Servant
D Venkatesaiya

Report of the Select Committee appointed to consider the Bill to amend the Negotiable Instruments Regulation, 1917.

*****

We, the members of the Select Committee appointed to consider the above Bill, beg to report that we have considered the several provisions of the Bill and found them to be all right.

We accordingly recommend that the Bill may be approved and that it need not be published in the Gazette.

"Copy"

D M Rajadurai

XVII. 3.

G R. S. VI.—s-III/9]

DRAFT.

SUBJECT.....

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Section.
File No.
Serial No.

Diary No. of letter replied to.....

No. 359 / L. C

NOTIFICATION.

GENERAL AND REVENUE SECRETARIAT,
( )
, the.....*191* .

Under Rule 40 of the Rules for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill to amend the Negotiable Instruments Regulation, 191[illegible] is published for general information, ~~with the Bill as amended by them.~~

Date of issue 28/9/21

Signed by Hon. P. Mahadevaiya

By Order,

28/9

Secretary, Mysore Legislative Council.

To

The Compiler, *Mysore Gazette* for publication in Part III of the Gazette in English and Kannada and for supplying 100 spare copies in English and 25 copies in Kannada to this office. ~~Proof should be sent to this office for approval before publication.~~

Copy & Translation
Section

29/9/21

29/9/21

NOTIFICATION.

No. 359—*L. C., dated 28th February* 1921.

Under Rule 40 of the Rules for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill to amend Negotiable Instruments Regulation, 1917.....is published for general information.

By Order,

P. MAHADEVAYYA,
Secretary, Mysore Legislative Council.

Report of the Select Committee appointed to consider the Bill to amend the Negotiable Instruments Regulation, 1917.

We, the undersigned members of the Select Committee to which the Bill to amend the Negotiable Instruments Regulation, 1917, was referred, have considered the Bill, and have now the honor to submit that the Bill does not require any modification. We therefore recommend that the Bill may be passed without republication in the Gazette.

MIR HUMZA HUSEIN.	M. RAMACHANDRA RAO.
C. S. DORASWAMI IYER.	D. VENKATESAIYA.

(Mr. C. S. Balasundaram Iyer was unable to be present at the meeting.)

G. R. S. VI.—s-III/14]

DRAFT.

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT,

( )

, *the*.....191 .

Date of issue.....22/4

Signed by.....M.R.M

May this be—

(i) Printed?

(ii) Treated as a standing order?

(iii) Published in the "Gazette" English part?

(iv) Translated?

(v) Placed at the disposal of the Press?

(vi) Published in the "Gazette" Kannada part?

Section. Leg.
File No. 37-18
Serial No. 4

Proceedings of the Government of H. H. the Maharaja of Mysore.

Order No. Gf. 19959 (1)

Ordered that the accompanying Regulation to amend the Negotiable Instruments Regulation, 1917 which received the assent of His Highness the Maharaja, on the nineteenth day of April 1921, be published as Regulation No. II of 1921, in the *Mysore Gazette* for general information.

M. 22/4

For Secretary to Government.
Rev. Dept.

To

The Compiler, *Mysore Gazette*, for publication in Part III of the Gazette, in English and Kannada and for supply of 200 spare copies in English, and 25 spare copies in Kannada to this office, and 200 spare copies in English and 100 spare copies in Kannada to the Curator, Government Central Book Depot, Bangalore. Proofs should be sent to this office for approval before publication.

Copy to Translation Section

21/4.

21/4

NOTIFICATION.

No. 759—L. C., dated 25th May 1920.

Under Rule 31 of the Rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to amend the Negotiable Instruments Regulation, 1917, is published for general information with the statement of objects and reasons.

By Order,
P. MAHADEVAYYA,
Secretary, Mysore Legislative Council.

Bill to amend the Negotiable Instruments Regulation, 1917.

Whereas it is expedient to amend the Negotiable Instruments Regulation, 1917, His Highness the Maharaja is pleased to enact as follows:—

Amendment of Section 9.—1. In Section 9 of the Regulation for the words "payable o, or to the order of, a payee" the words "payable to order" shall be substituted.

Amendment of Section 13.—2. For Sub-Section 1 of Section 13 of the Regulation the ollowing sub-section shall be substituted, namely;—

"(1) A 'negotiable instrument' means a promissory note, bill of exchange or cheque payable either to order or to bearer.

Explanation (i).—A promissory note, bill of exchange or cheque is payable to order which is expressed to be so payable or which is expressed to be payable to a particular person, and does not contain words prohibiting transfer or indicating an intention that it shall not be transferable.

Explanation (ii).—A promissory note, bill of exchange or cheque is payable to bearer which is expressed to be so payable or on which the only or last endorsement is an endorsement in blank.

Explanation (iii):—Where a promissory note, bill of exchange or cheque either originally or by endorsement, is expressed to be payable to the order of a specified person, and not to him or his order, it is nevertheless payable to him or his order at his option."

Amendment of Section 48.—3. In Section 48 of the Regulation for the words "payable der of a specified person, or to a specified person or order," the words, "payable to shall be substituted.

Amendment of Section 121.—4. In Section 121 of the Regulation, for the words "payable to, or to the order of a specified person," the words "payable to order" shall be substituted

STATEMENT OF OBJECTS AND REASONS.

The Negotiable Instruments, Act, 1881, of British India which has been introduced into Mysore by Regulation VII of 1917, has been amended by Act VIII of 1919 so as to bring the law into line with the existing commercial practice of the country. This amendment was introduced on account of the recent decision of the Bombay High Court in *Dosabhai* vs. *Virchand* reported in Bombay Law Reporter, Vol. XXI, No. 1, p. 1, in which it was held that a cheque from which the word 'bearer' is struck out and there is no substitution of the word 'order,' is not negotiable within the meaning of the Negotiable Instruments Act, 1881, and that the custom of trade which exists in the Bombay Market whereby a cheque with the word 'bearer' struck out without the word 'order' is regarded as an 'order' cheque and negotiable, cannot legally be recognized."

This decision caused a good deal of confusion in Commercial and Banking Circles and led to the passing of Act VIII of 1919 in British India. The desirability of amending our Act on the lines of the British Indian enactment has been brought to the notice of the Government by the Chamber of Commerce, Mysore, and the proposed Bill is intended to secure that object.